

AGRICULTURAL WATER QUALITY COST-SHARE PROGRAM FOR IDAHO

Policy Guidelines

8/2/04

Project Operations

- Sponsoring entities must complete financial reports to be approved at regularly scheduled meetings, regardless of the amount of project activity.
- Project sponsor may receive up to 10% of the total amount of the project grant for administrative costs over the life of the project.
- Administrative costs may be charged for actual time spent on contract administration and project activities.
- SCC must approve all lease agreements and purchase of equipment items greater than \$500.
- Per diem and mileage rates are to be consistent with and may not exceed those established by the Idaho State Board of Examiners.
- All District project banking must be done at insured institutions.
- Project sponsors will use SCC approved accounting software and follow SCC accounting policies and procedures.
- An annual audit, conducted by a Certified Public Accountant will be obtained by the sponsor, and based upon criteria described in the SCC Accounting Policies and Procedures Manual.
- No funds will be used to pay for any project or contractor costs initiated prior to grant signing.
- All project timelines will be based on the state fiscal year of July 1 through June 30.
- Project sponsors will submit to the SCC at the beginning of each fiscal year, an estimate of project expenses for that year and the remaining life of the project. Funds to meet estimated administrative costs will be sent to each project sponsor semi-annually, beginning with each fiscal year, based on the amount projected.
- BMP cost-share funds will be provided by the SCC to the sponsor as available, for disbursement following SCC receipt of BMP payment applications and electronic invoices. Payment applications must be approved by the participant, technical entity, and the project sponsor prior to payment by SCC.

Project Applications

- Recommendations for project funding will be made by the SCC.
- Project applications shall be added to the project priority list if consistent with program criteria.
- Funding criteria shall be based upon the following:

Required – Completed agricultural TMDL implementation plan, Ground Water Quality Management Plan, or watershed plan developed through PL-566, Cooperative River Basin Study, State Agricultural Water Quality Program, or equivalent process.

Additional Criteria

- a) ESA status
 - b) Ground water quality protection area
 - c) Beneficial uses affected
 - d) Relative ability of the proposed treatment to protect the resource
 - e) Readiness of project sponsor to proceed
 - f) Readiness of watershed participants to implement plan
 - g) Availability of technical assistance
 - h) Availability of supplementary funding sources
- Project applications will be reviewed on a regional basis by SCC field staff, with input and assistance from NRCS and DEQ. Regional recommendations on project priorities will be submitted to the SCC in Boise.
 - Regional project priorities will be reviewed and considered by SCC Boise staff, in collaboration with IASCD, NRCS, and DEQ. Recommendations from this review will be submitted to the Soil Conservation Commission for decisions on project funding.
 - The Commission will have final approval on projects and funding.

Project Costs

- All cost lists used in paying a cost-share payment will be reviewed annually by the project sponsor.
- Average costs are to be developed for each practice or component of a practice identified in the work plan as eligible for financial assistance.
- Average costs are determined by the actual cost to land users for installing measures and practices.
- Actual cost includes labor, operating supplies and other direct costs required for physical installation of a measure or practice.
- The average cost list and BMP costs for the project must be approved by the SCC.
- Changes in average costs can be made if supported by justification and approved by the SCC.
- Loss of income will not be considered in determining average costs.

Project Cost Sharing

- Only BMP component practices included in the Idaho Agricultural Pollution Abatement Plan or those with accepted NRCS standards are eligible for cost-sharing. All cost-shared practices and rates must be approved by the SCC as part of the project plan of operations.
- Cost-sharing cannot be provided for any actions initiated prior to contract approval by the participant, technical entity, and sponsor, with concurrence provided by the SCC.
- Program cost-sharing, including funds from other state sources, will not exceed 90 percent of the practice cost.
- Total program cost-share funds from all sources (private, state, and federal) will not exceed 100 percent of the actual practice cost.
- Program cost-sharing is limited to a maximum of \$50,000 per participant contract, unless otherwise authorized by the SCC.

- The participant shall notify the project sponsor prior to beginning installation of each practice to ensure that funds are available for cost-share payment
- Cost-sharing is not authorized for irrigation system installation or improvements on lands which are in CRP cover or those lands where the CRP cover has been removed within the first growing season following contract expiration.
- Cost-sharing funds may be used to supplement and protect CRP where it has been determined that additional practices are necessary. Examples are water and sediment control basins to reduce gully erosion, trap sediment, and improve down stream water quality.

Matching Funds

- Matching funds must total at least twenty five percent of the total project costs listed in the project agreement.
- Matching funds include all project time and expenses not reimbursed by state funds. Examples are: non-state technical assistance time, vehicle use, land operator time, equipment use and material costs
- Documentation of project matching funds will be provided to the SCC by the project sponsor.
- For matching fund purposes, salaries of individuals may be used if known and appropriate. Otherwise, value of time spent by individuals is not to exceed \$15 per hour.

Project Areas

- The program is applicable to agricultural and grazing land in an approved project area.
- Lands eligible for cost-share assistance in a project area are those designated by the local soil conservation district, with concurrence of the SCC, as critical areas or pollution sources.
- Project areas designated as critical and in need of treatment are recommended to the SCC by the local sponsoring entities, in consultation with technical agencies and the project sponsor. Critical areas or sources must have a technical basis for identification.
- Critical areas will be prioritized for BMP implementation based on a tiered approach to targeting treatment units as follows:

Tier 1 – Fields directly adjacent to either the tributary of concern or a drain to the tributary of concern, or fields having a direct and substantial influence on the tributary of concern

Tier 2 – Fields in the subwatershed with an indirect, yet substantial influence on the tributary of concern

Tier 3 – Fields upland in the subwatershed that indirectly influence the tributary of concern

- Critical areas will require site-specific evaluations to determine the nature of contribution and priority of each tier and overall strategies for achieving water quality objectives.
- Lands owned by federal, state or local governments, and lands owned by public utilities, irrigation districts, and canal companies are eligible for cost-sharing under this program.
- Only those Indian lands owned by individuals in fee simple are eligible under this program.

Project Sponsor

Project sponsor must develop a project plan of operations for approval by the SCC.

- The project plan of operations will be submitted as part of the project agreement. The plan will contain as a minimum:
 - a) 303(d), ESA, or groundwater status of the subject waterbody
 - b) Critical acres to be treated
 - c) Estimated benefits of the proposed treatment
 - d) Total BMP costs
 - e) BMPs to be installed and their quantity
 - f) BMP cost-sharing
 - g) Matching funds
 - h) Other sources of funding
 - i) Cost list.
 - j) Critical area description
 - k) Treatment area map

Project Participant

- The project participant must have a conservation plan which is signed by the participant and technical entity and approved by the local soil conservation district, unless otherwise authorized by the SCC.
- Cost-sharing payments will not be authorized for any measure initiated before the contract is approved by all parties.

Contract Modifications

- Contract modifications must be approved by the project participant, technical entity, and project sponsor.
- Modifications resulting in overall contract cost increases by 10 percent must be approved by the SCC.
- A copy of all modifications will be submitted to the SCC.

Potential Non-compliance

- Scheduled contract items may be delayed a total of one year without execution of a contract modification.
- Potential non-compliance can be averted prior to end of second calendar year through execution of a contract modification. Adequate basis must exist for the modification.
- Information must be documented on annual status review and field notes.
- Findings reviewed with participant.
- Project sponsor shall be informed of potential non-compliance by the technical entity.

Notice of Non-Compliance

- Technical entity furnishes project sponsor a finding of fact indicating occurrence of a potential non-compliance.
- Sponsor ascertains if non-compliance has occurred and if so, determines if a forfeiture, refund, payment adjustment, or termination is warranted.

- Sponsor prepares a written finding of fact statement. Copy is sent to SCC.
- Sponsor tries to obtain an agreement of non-compliance with participant using Agreement of Non-compliance form. Technical entity reviews and approves agreement prior to sponsor signature.

Agreement Obtained

- Non-compliance averted through use of contract modification or other means.

Agreement Not Obtained

- Project sponsor sends written notice, informing participant of the opportunity to appear at a compliance review. The notice shall include the time, date and place of the review by certified mail, return receipt requested.
- A copy of the notice is furnished to the SCC.
- Participant has 30 days to send written request to project sponsor for contract non-compliance review.

Notice of Review Determination

- Written notice of determination will be sent to participant by certified mail, return receipt requested.

Refund of Cost-Share Payments

- The project sponsor, in consultation with the SCC, shall determine the appropriate contract adjustments.

BMPs

- BMP effectiveness reviews on selected participant contracts will be conducted by the SCC, with assistance from the participant, project sponsor, and appropriate technical entities.
- Reports of BMP effectiveness reviews will be reported to the SCC on the tracking system prescribed by the SCC.
- Annual status reviews of participant water quality plans will be conducted by the technical entity in a form prescribed by the SCC.
- Inclusion of additional BMPs in the approved project plan requires written SCC approval.
- All agreed-to BMPs must be carried out even when no cost-share assistance is provided in the contract.
- Site-specific BMPs needed to treat critical areas or sources of pollutants are to be identified in the participant's water quality plan.

Technical Entity – Can include SCC, IASCD, ISDA, NRCS, DEQ or other state or federal technical agencies.